

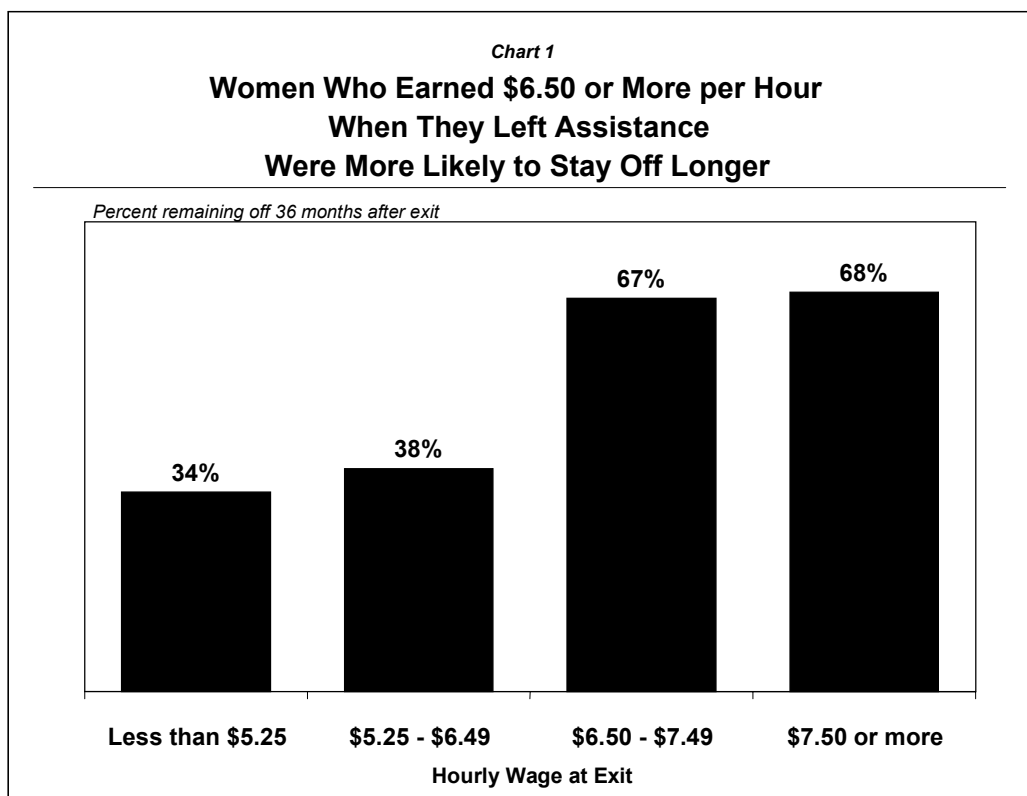
AT WHAT HOURLY WAGE ARE WOMEN ABLE TO LEAVE AND STAY OFF PUBLIC ASSISTANCE?

BACKGROUND

Previous Family Income Study research found that more women left public assistance due to employment than for any other reason and that most exits from assistance were temporary, not long term. This issue brief discusses the hourly wages of women who **left public assistance due to employment** and the percent who were able to stay off assistance for at least 36 months.

FAMILY INCOME STUDY FINDINGS

- \$6.50 was the “threshold” hourly wage. 67 percent of the women who earned \$6.50 or more per hour were able to stay off public assistance for at least 36 months (Chart 1); however, only 25 percent of the women who were employed when they left assistance earned this wage or more (Chart 2).
- Women who earned less than \$6.50 per hour were much less likely to stay off public assistance for at least 36 months (Chart 1); however, 75 percent of the women who were employed when they left assistance earned less than \$6.50 per hour (Chart 2).



DISCUSSION

This research shows that hourly wage is an important factor associated with more permanent exits off welfare. It appears that an hourly wage of \$6.50 was the threshold that separated a short-term from a more long-term stay off welfare. However, 75 percent of women who left assistance due to employment in 1988-1992 earned an hourly wage less than \$6.50.

This research suggests that \$6.50 per hour may be a reasonable target wage for welfare-to-work programs, such as the Job Opportunities and Basic Skills (JOBS) program. It also suggests that welfare-to-work programs must do a better job of preparing women on assistance for jobs with higher hourly wage rates.

